



D.C. REPORT OF CASH COLLECTIONS

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Dr. Natwar M. Gandhi
Chief Financial Officer

Dr. Julia Friedman, Deputy CFO
Office of Research and Analysis

GENERAL FUND COLLECTIONS

Year-to-date (YTD) collections of \$203.9 million are \$5.6 million (2.8%) above collections for the same time last year. The YTD general fund growth is slightly below the budgeted estimate of a 3.7 percent increase for the year.

TOTAL TAX COLLECTIONS

YTD total tax collections of \$185.0 million are \$4.6 million (2.6%) above YTD collections for the same period last year. The YTD increase of 2.6 percent is below the 4.0 percent increase budgeted.

COLLECTIONS BY REVENUE SOURCE

Property Tax Collections

➤ *\$11.5 million (124%) above YTD collections for the same time last year*

The YTD growth of 123.6 percent is considerably greater than the estimated growth of 8.6 percent forecasted in the revenue estimates. However, there are several adjustments that must be taken into account when comparing October 2002's real property tax collections to collections during the same time last year. First, October 2002 collections are greater because several tax bills were mailed to taxpayers late or not at all in August and September 2002. Consequently, collections for the month of September were processed during October. Second, following the events of September 11, 2001, the District extended the deadlines for payments beyond the usual September 15 deadline. Thus, both September and October 2001 collections were slightly lower than usual. Third, in FY 2002, triennial assessments ended for Tri-Group 1. As a result, Tri-group 1 is now assessed annually and collections will be much higher in 2002 compared to collections in 2001.

Personal property tax collections and public space rental collections have annual due dates of July 31. Therefore any amounts collected (or not collected) from now until July will be negligible.

General Sales and Use Tax Collections

➤ *\$13.4 million (32%) above YTD collections for the same time last year*

The YTD increase of 31.5 percent is above the estimated 5.0 percent growth forecasted in the revenue estimates. General sales and use tax collections are comparable to collections in October 2000. October 2001 collections were considerably lower due to the events of September 11. The Convention Center transfer comprises a portion of sales tax collections for restaurants and hotel accommodations and is thus a measure of tourist-related tax revenues. The Convention Center transfer for October is \$1.5 million (51%) above October 2001 collections.

Selected Sales and Use Tax Collections

➤ *\$1.2 million (22%) below YTD collections for the same time last year*

The YTD decline of 22.1 percent is considerably more than the 3.0 percent decline forecasted in the revenue estimates. YTD alcohol beverage sales collections are only slightly ahead of collections compared to the same time last year while YTD cigarette tax collections are 20 percent ahead of collections compared to the same time last year. YTD motor vehicle excise tax collections are 38.8 percent less than October 2001 collections compared to the same time last year. This is due to sluggish auto sales.

Individual Income Tax Collections

➤ *\$4.9 million (6%) below YTD collections for the same time last year*

The YTD individual income tax collections show a decline of 6.3 percent compared to a 2.9 percent increase forecasted in the revenue estimates. Individual income tax collections are \$4.9 million below October 2001 collections. However, an adjustment must be taken into account when comparing October 2002's real property tax collections to collections during the same time last year. \$18.5 million in collections that is reflected as cash for FY 2002 actually represents revenue correctly booked to FY 2001.

An examination of the individual income tax collections by components is revealing: 1) October YTD withholdings collections, after making the adjustment discussed above, are 4.0 percent below YTD October 2001 withholding collections; 2) October YTD declarations (estimated payments) are 51.7 percent below YTD October 2001 declarations; 3) October YTD final payments with returns are 5.1 percent ahead of YTD October 2001 payments; 4) YTD fiduciary collections are 2.2 percent below YTD October 2001 fiduciary collections; and 5) YTD refunds are 108.8 percent above YTD October 2001 refunds.

Corporate Franchise Tax Collections

➤ *\$5.4 million (118%) below YTD collections for the same time last year*

The YTD decline of 118.4 percent shown in the cash collections report is more than the estimated 1.6 percent decline forecasted in the revenue estimates. However, a judgment issued in January 2001 has resulted in significantly higher refunds. This accounts for the significant difference between the October 2002 collections compared to the same time last year. As with the individual income tax collections, an examination of the components is revealing: YTD declarations (estimated payments) are 10.1 percent ahead of YTD declarations compared to the

same time last year; YTD payments with returns are 4.2 percent ahead of YTD payments compared to October 2001; YTD refunds (including refunds related to the judgment) are 12,910.0 percent above YTD October 2001 refunds.

Unincorporated Franchise Tax Collections

➤ *\$3.7 million (88%) below YTD collections for the same time last year*

The YTD decline of 87.5 percent shown in the cash collections report is significantly worse than the estimated 0.3 percent decline forecasted in the revenue estimates. Unincorporated franchise tax collections are also affected by the adverse judgment issued in January 2001. YTD declarations are 23.0 percent below YTD October 2001 declarations while YTD payments are 21.4 percent below the same period last year. YTD refunds (including refunds related to the judgment) are 429.0 percent above refunds for the same time last year.

Gross Receipts Tax Collections

➤ *\$342,000 (2%) below YTD collections for the same time last year*

The YTD decline of 2.1 percent is below the estimated 2.3 percent growth forecasted in the revenue estimates. Public utility tax collections are 20.0 percent above collections compared to the same time last year and are likely the result of increased collections from utility companies due to the colder temperatures experienced in the Washington this fall. YTD toll telecommunication tax collections are 38.0 percent below collections compared to the same time last year. It is the decline in the toll telecommunication tax this is driving the decline in Gross Receipts Tax Collections. While some isolated payments come in throughout the year, insurance premium payments are not due until March.

Other Tax Collections

➤ *\$4.7 million (24%) above YTD collections for the same time last year*

The YTD decline of 24.1 percent is significantly worse than the estimated 2.2 percent decline forecasted in the revenue estimates. YTD estate tax collections are 71.3 percent below collections compared to the same time last year. However, due to the unpredictable nature of this tax it is too early to begin to draw conclusions on how well the tax will perform. YTD, deed recordation tax collections are 1.3 percent below collections compared to the same time last year. YTD deed transfer tax collections are 11.9 percent above collections compared to the same time last year. These two taxes have performed well in the past due to high-priced investments by large institutional investors in the local market as well as refinancing. This trend is expected to continue, however, there has been indication that softness (less office leasing activity, fewer construction starts, high prices, less demand) is present in the market. There were no economic interest payments collected in October. This is an unstable and unpredictable tax throughout the year, and zero collections in any given month is quite common.

Non-Tax Collections-licenses and permits, fines and forfeitures, charges for services, miscellaneous revenue

➤ *\$967,000 (7%) above YTD collections for the same time last year*

Licenses and permits for the month of October are 23.0 percent below collections compared to October 2001. Applications for construction licenses were slightly lower than the previous year. There were slightly more new construction projects planned this year than at the beginning of last fiscal year .

YTD fines and forfeitures collections are 23.8 percent above October 2001 collections. This is due to increased collections from the traffic cameras program compared to collections during the same time last year.

Charges for services collections are 28.4 percent above collections compared to October 2001. Corporation recordation renewal collections are slightly higher in comparison to collections during the same time last year.

Miscellaneous revenue collections are 6.6 percent below collections compared to the same time last year. Interest income collections were recorded incorrectly in SOAR in October 2001. This mistake was corrected by an adjustment made the following month. Collections from reimbursements were also higher in October 2001 compared to this month.